



Nationwide Anti-Piracy Enforcement Bulletin

Informing - Communicating - Educating September 2006

When Security Cameras help arrest their Store Owners...

Manufacturing lab in retail store shut down after camera catches homicide on the street

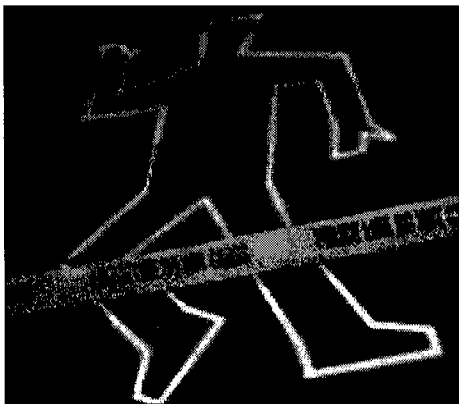
A homicide investigation led Louisville Metro Detectives to find a retail store that was manufacturing counterfeit recordings. On September 18, 2006, a subject was shot and killed on Kentucky Street in Louisville, Kentucky. Later on that evening (in the early hours of the morning) two other men were shot on Clay Street in front of a fashion retail store. Police detectives believe that the second shooting was in retaliation from friends of the first victim. During the investigation into the homicide and subsequent shootings detectives executed search warrants to retrieve

video tapes from security cameras in the stores surrounding the shootings to look for possible leads.

When examining the fashion retail store's tapes they not only discovered that the tapes possessed the best view of the crime but they also came across several items that appeared to be counterfeit. After a brief visual scan of the store and realizing that there were a lot more then just a few counterfeit recordings, detectives obtained a second search warrant and seized all of the counterfeit items. From the inventory taken it appears the store owner at the very

least was using his store as a manufacturing center for counterfeit recordings.

Seized during the execution of the warrant were; 2,541 counterfeit music CDs, 1,041 counterfeit movie DVDs, a Savin CLP Copier Printer, computer tower with 21 separate burners, a second computer tower with 9 burners, cannon scanner, Casio disc title printer, 2,300 blank CD inserts, shrink wrap machine, stacks of printed music CDs, music video DVDs, Movie DVD inserts and 500 empty jewel cases.. Counterfeit clothing was also seized.



Left: Chalk outline of victim (please note this is not a real photograph) **Center:** CDs on spindles confiscated from the store.

Right: Security camera outside of the store that led the detectives to find the fake product.

The Recording Industry Association of America (RIAA) is the trade group that represents the U.S recording industry. Its mission is to foster a business and legal climate that supports and promotes our member's creative and financial vitality. Its members are the record companies that comprise the most vibrant national music industry in the world. RIAA members create, manufacture and/or distribute approximately 90% of all legitimate sound records produced and sold in the United State.

The Anti-Piracy Department of the RIAA investigates the illegal production and distribution of sound recording, which costs the music industry hundreds of millions of dollars a year domestically.

Consumers, retailers and replicators can report suspected music piracy to the RIAA by calling a toll-free 24/7 live operator. Calls can be taken in English or Spanish at 1-800-Bad-Beat.

*For additional copies of the newsletter or to be added to the distribution list
please contact Jaclyn Knag at jknag@riaa.com or 202.828.0133*

Featured Investigation

You Can Run, But You Can't Hide

Burner Lab manufacturers Play Game of Hide and Seek with Investigators

Through sheer dedication and determination the RIAA New York Field Office and the NYPD Trademark Unit pulled the plug on a burner lab that was running from investigators for over six months. The suspects involved in this case were smarter than your average piracy criminal. Confidential informants told investigators that the suspects have been involved in the counterfeit music and movie business for years and have succeeded in staying out of the cops horizon while always trying to stay one step ahead. Through years of work the suspects had perfected the transportation of the counterfeit product from the burner lab to the distributor to the streets while keeping the cops at bay.

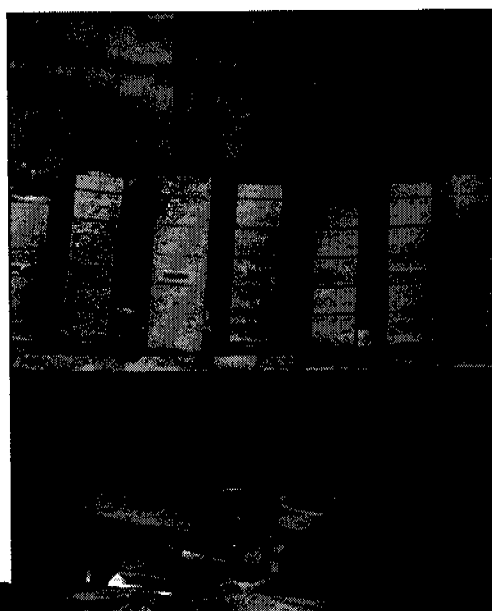
By having one "employee" drop off the fully loaded van at the suspects residence (from the current burner location) and then leaving via the subway they avoided being followed or having vehicle tags traced. After the

van was dropped off the suspects would then leave their residence and enter the van with their own set of keys. Proceeding directly to the Major Deacon expressway where they would often drive twenty sometimes thirty miles per hour under the speed limit to avoid being followed. The van drivers knew that any car following for too long was likely to be a cop or an investigator and they could then change their destination plans accordingly.

After a while the suspects did slip up. Investigators were able to make several buys as well as photograph the suspects unloading the van at the distribution point, they also located the burner lab's current address. However just as investigators were closing in and synching up with the NYPD Trademark Unit to go in with the search warrant the burner lab changed it's location. The suspects had gotten suspicious and it was time for them to move once again to stay ahead of what

they would term the "5-0". After a few more weeks of surveillance work the RIAA Investigators starting closing in once again and once again the suspects slipped away right before the search warrant was executed.

But as we all know the saying goes "Third times a charm" and for the RIAA Investigators and the NYPD Trademark Unit this was just the case. This September, after several more undercover buys and observations the burner lab finally was shut down. Along with the take down came the seizure of; 209 burners on 24 individual towers, 7,900 CDRS and 7,100 MPAA DVDRs one car was seized and the suspect that had stayed one step ahead of "the man" for several years is now in cuffs. At the distribution center later on that day 28,200 CDRS and 8,604 MPAA DVDRs were seized and the same suspect was charged for those related crimes.

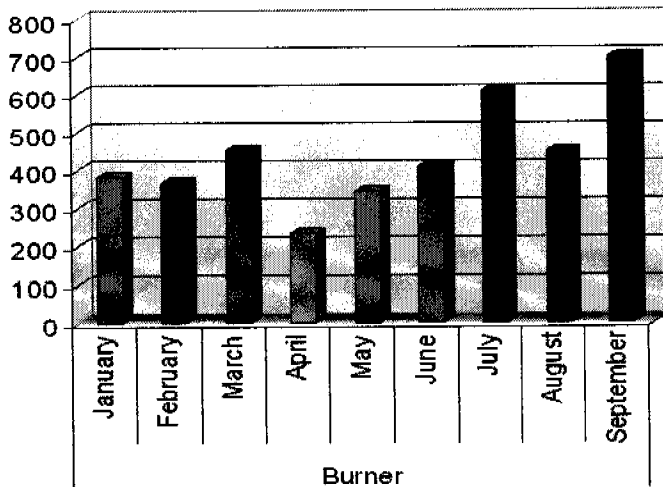


From the lab to the store these three pictures represent three different stages in the manufacturing business. **Left:** A few of the 209 burners the lab had available for mass producing CDs. With blank CDs on spindles underneath for fast reloading. **Center:** After the CDs come out of the burner they are placed in jewel cases that have printed labels to make the counterfeits look more legitimate. **Right:** After being dropped off at this distribution center they are placed on display for customers to purchase.

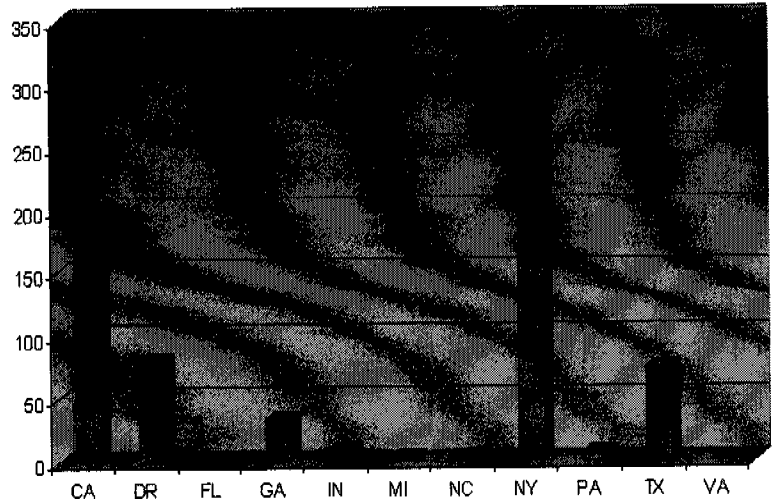
Regional Activity

This month we are highlighting a major problem in the piracy world; CDR burners. The number of burners seized has increased every year for the last five years. The average burner with a speed of 32X can burn a disc containing 78 minutes of music in approximately 2 and a half minutes. Most burners are now seized as part of a tower which may hold multiple burners, thus allowing a subject to burn 240 discs an hour if they had a ten burner tower. The following five incidents from this month's activity, display only a small fraction of the incidents we see in any given month.

**Burners Seized By Month
In 2006**



**Burners Seized
In September**



A vender was arrested on September 14, after the Dallas PD observed the suspect selling counterfeit CDRs and DVDs in front of a convenience store on Ledbetter Drive in Dallas, Texas. A total of 5,850 CDRs, 1,480 DVDs, and two towers with 24 burners combined were seized.

One suspect was arrested and six towers were seized with forty burners in total after the Syracuse Police department conducted an enforcement action on James Street on September 15th. An additional 1,782 CDRs, 30 MPAA DVDRs and various raw material were also seized.

RIAA investigators with the aid of the ATF and the Atlanta PD executed a search warrant on a location that was manufacturing, distributing and selling counterfeit CDRs on September 19th, 2006 in Atlanta, Georgia. Atlanta PD arrested and charged three suspects for violating Georgia Statutes and they also seized 30 burners, 2,936 counterfeit CDRs and 6,386 counterfeit DVDRs.

Also on September 19, 2006 in Canton, Mississippi, RIAA investigators assisted the Canton Police Department with an ongoing investigation into the piracy activities at a residence on Franklin Street in Canton. After executing the search warrant officers seized 1 tower containing ten burners and 3 towers containing four burners for a total of 22 burners as well as 8,671 counterfeit DVDs and 9,125 counterfeit CDs. One suspect was arrested and is now in the Madison County Jail.

In August RIAA investigators from the California office received a tip from the FBI in Denver regarding a parolee who was apparently not only just burning and selling CDs but running a manufacturing and distribution center out of his residence. This suspect had previously been arrested and was out on probation for similar charges so on September 6th a search was conducted at his residence to check if he was violating parole. While gathering evidence at the residence officers recovered 2,100 CD masters from a makeshift lab complete with CD and DVD replicators connected to a computer. In the master bedroom was a replicating tower with a master and seven DVD or CD slave bays. Officers also recovered several hundred inserts for the pirated product. Upon searching his vehicle RIAA investigators found 250 pirated DVD movies in his vehicle and 343 CDs in jewel cases. None of the product recovered in the car had a true name or address on it. Judging from the appearance and set up of the house and car investigators speculate that he was using his house as a lab and his car as his means for selling the finished pirated product.

Regional Activity

**Note to Self:
Remove Illegal
Product before
calling police next
time!!!**

Burglary Victims Arrested

This past month we have had two separate occasions of police responding to a breaking and entering/burglary call and upon entry to the premises discovering a manufacturing lab complete with a large amount of counterfeit music product. While it is hard to say just yet if this is a new trend with four incidents occurring in the last two months. It does however

bring to light the possibility of rival manufactures reporting false crimes to the police in order to bring down their direct competition. We plan on tracking these incidents over the next few months to determine if it is indeed a new significant trend in the piracy world.

The first of the two incidents occurred on September, 12 in Fulton County, GA. The Hapeville Police Department notified the RIAA that a fashion retailer in Hapeville had been broken in to and upon entering the scene officers observed what they believed to be a large quantity of suspected piratical compact discs and movies. There was also evidence that manufacturing for those discs were taking place in the store, however it appeared that the burners had been stolen during the burglary. Seized from the store were 5,360 piratical CDRs and 3,088

DVDs, the two co-owners also have been arrested.

Two days later and 800 miles away another call brings us to Muskegon, MI where the Muskegon Police Department observed what appeared to be counterfeit CDs/DVDs and manufacturing equipment inside the store after responding to a breaking and entering call. Officers seized 3,954 counterfeit CDRs, 7 counterfeit music DVDRs, 26 MPAA DVDRs, 5 CD/DVD burners, a laptop and a stolen firearm. After bringing back the counterfeit product to the station, RIAA/MPAA investigators were notified to verify the illegality of the CDs/DVDs. At the time of the seizure the store-owner was not inside the store and subsequently an arrest warrant has been issued for his arrest.

Legal Corner

Written by: L. Carlos Linares Jr., Esq.
Vice President, Anti-Piracy Legal Affairs

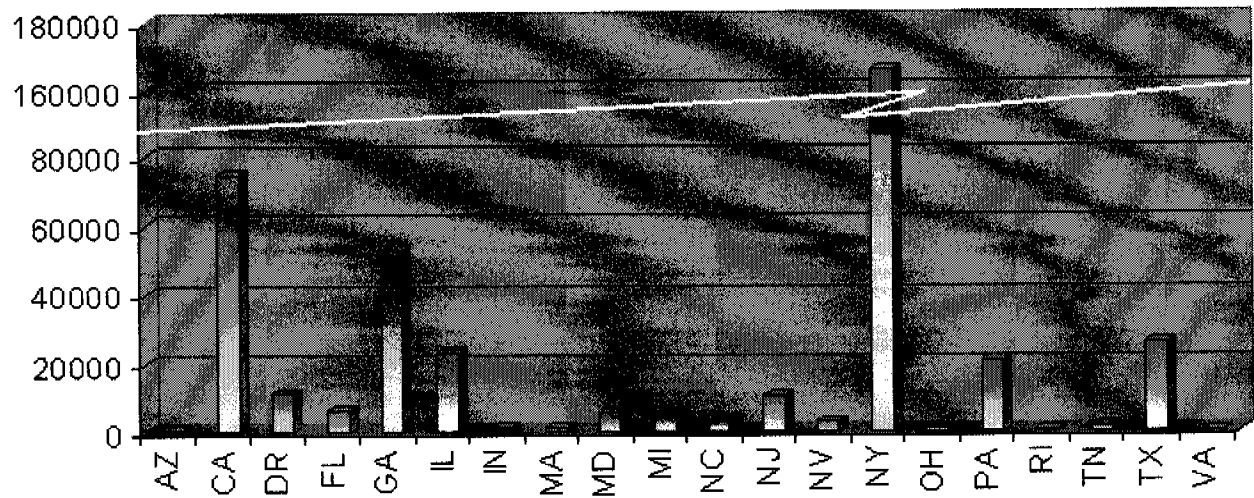
Many of you that have worked closely with RIAA investigative personnel on music piracy cases undoubtedly understand the value they play in uncovering piratical activity, identifying illicit music product for seizure, and readily making themselves available to testify in your cases when the need to do so arises. This assistance can be invaluable to law enforcement in the investigation and work up of music piracy cases, and sets the stage for a successful prosecution of this serious economic crime. Despite the presence of strong RIAA investigative support, it is not uncommon for legal questions to arise in connection with the handling of these cases. The problem may be as simple as a need for good language to include in a search warrant. Then again, the problem may be as challenging as the need to touch base with the prosecuting attorney of your jurisdiction to explain the merits of such cases and the most appropriate charges to file under the circumstances. Whether the help needed is a stock paragraph for a warrant, or a need to urge a prosecutor to give the proverbial "green light" to proceed with a search and seizure, RIAA Regional Counsel stand ready and available to assist you and the prosecutors you work with.

The RIAA has established four regional offices with investigative personnel working around the clock to assist law enforcement officers with the investigation of music piracy crimes. Each of these offices also include a licensed attorney that specializes in providing legal support to federal, state and local authorities. When a music piracy case crosses the desk of a prosecutor, it is often the first time he or she has seen one. For this very reason, RIAA Regional Counsel are available to lend guidance on applicable law and best charges to file, evidentiary issues, case strategy, and the identification and preparation of witnesses for trial. As legal representatives authorized to represent the record labels in criminal music piracy matters, RIAA Regional Counsel are also available to appear and testify to the harms of music piracy and industry losses.

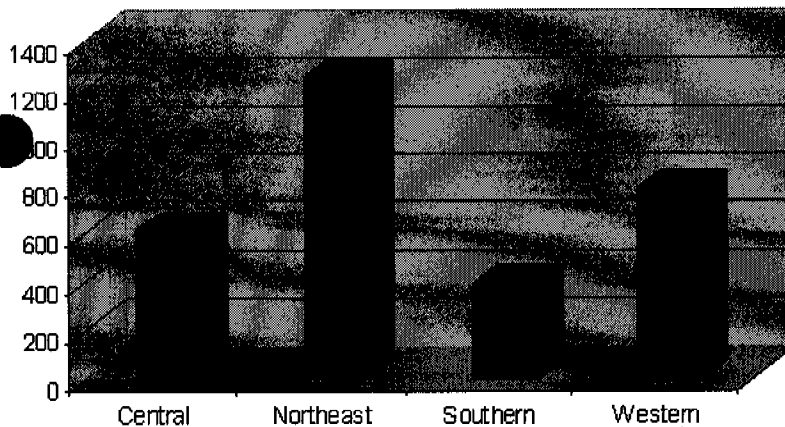
The RIAA and its member companies cannot express how grateful we are for your support and dedication to the fight against music piracy. Please know that our Regional Counsel are available to assist you and your prosecutors with your cases at any stage of the process. We look forward to hearing from you.

September Statistics

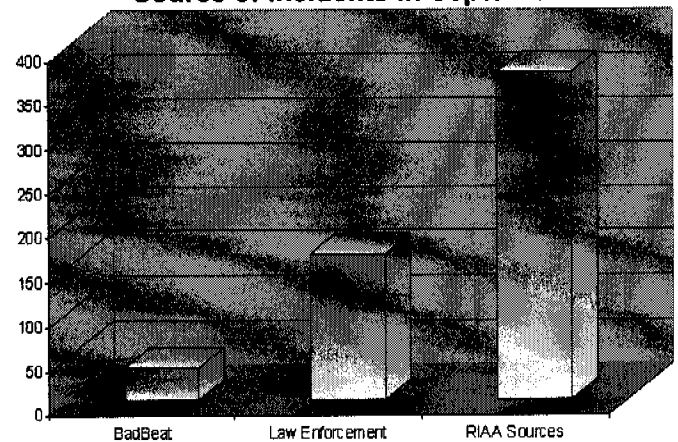
Product Seized in September



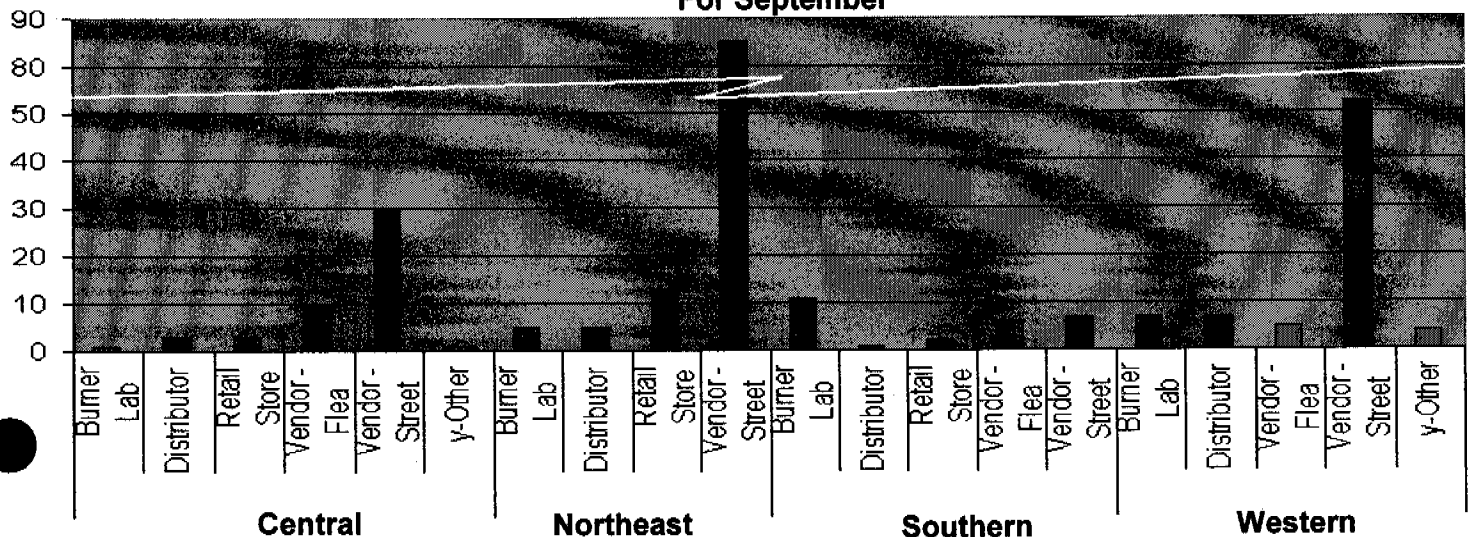
Total Arrests By Region For September



Source of Incidents in September



Types of Arrests By Region For September



Future Training

Upcoming training will be held in the following locations:

New York

When: October 24th the RIAA will be conducting an 8 hour class titled "Organized Crime, Terrorism and Intellectual Property Theft".
Where: DEA, NY Field Office located at 99 10th Ave, New York City, NY.
Contact: Al Balchi at (631) 379-389.

Georgia

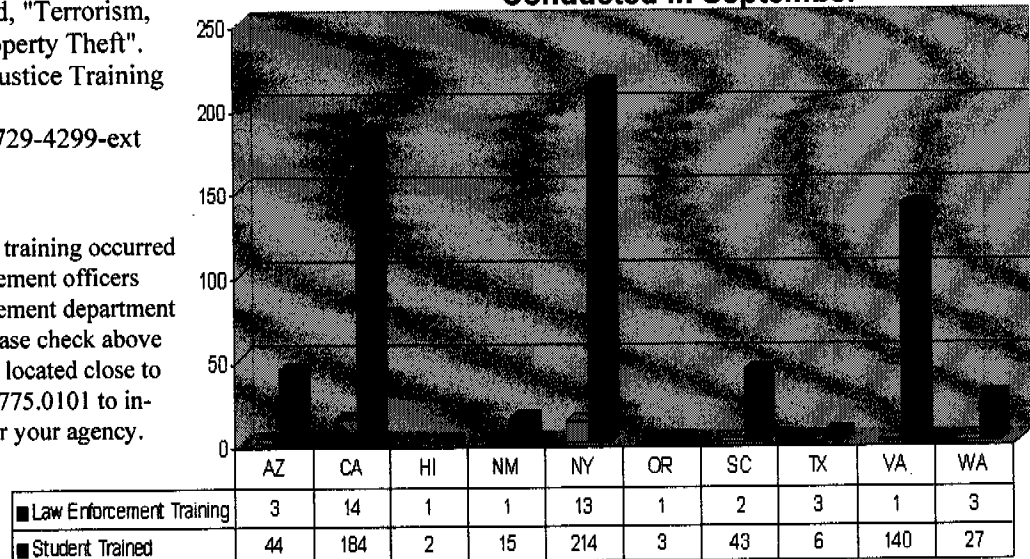
When: November 8th the RIAA will be conducting an 8 hour class titled "Organized Crime, Terrorism and Product Counterfeiting".
Where: Smyrna PD's Training Room and is being sponsored by the North Central Georgia Law Enforcement Academy.
Contact: Sgt. Randy Dobson at 770-319-2535.

Virginia

When: November 14th the RIAA will be conducting an eight-hour training class titled, "Terrorism, Organized Crime and Intellectual Property Theft".
Where: Northern Virginia Criminal Justice Training Academy.
Contact: Robert J. Tokarchic at 703-729-4299-ext 305 or rtokarchic@nvcja.org.

Across the country in September training occurred in ten states with 827 law enforcement officers being trained. If your law enforcement department is interested in being trained please check above to see where a training session is located close to you, or call Mike George at 202.775.0101 to inquire about setting up training for your agency.

**RIAA Training
Conducted in September**



On September 8th, 2006, the RIAA participated in a training class that was jointly hosted by the North Carolina Conference of District Attorneys and the North Carolina Secretary of State's Office. This three-hour class was titled, "Prosecuting Counterfeit Trade Marking Cases" and was attended by prosecutors and law enforcement from Mecklenburg County and the surrounding jurisdictions.



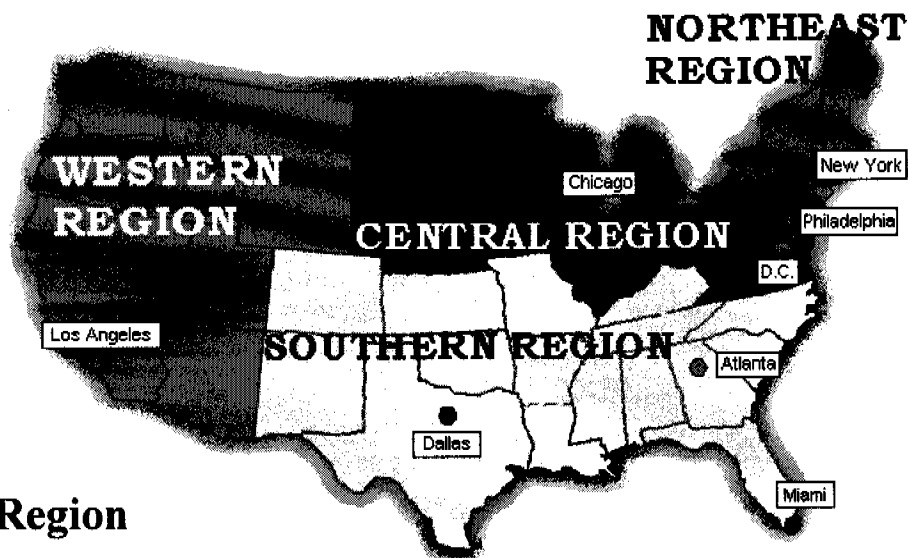
Above: Deborah Robinson, RIAA Regional Counsel

This training was well received and the overall evaluations were excellent. The RIAA provided two instructors, Deborah Robinson, a former prosecutor with the Philadelphia District Attorney's office and Jason Daniels a former Investigator for the North Carolina Secretary of State's office specializing in Intellectual Property cases. Their backgrounds provided a balanced perspective that made this training especially productive.

The comments from the evaluations forms ranged from, "have this class presented to a larger audience of prosecutors", "One of the most informative meetings I have attended to in a while." and to "I now realize that the theft of Intellectual Property is not a victimless crime."

One of the goals of the RIAA is to raise the awareness level of prosecutors and law enforcement on investigating and prosecuting Music Piracy cases as well as understanding the criminal activity associated with counterfeiting. The RIAA conducts a variety of different seminars on these topics, free of charge. For additional information you can email Michael George, Director of Investigative Services at mgeorge@riaa.com.

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Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, Wyoming, Guam

Teece Testimony
Document(s) Cited in Footnote: 49